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# DECISION

# ON THE INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS AND INTERNAL LIQUIDITY ADEQUACY ASSESSMENT PROCESS FOR CREDIT INSTITUTIONS

**(Official Gazette, 20/2014 i 126/2017 – unofficial consolidated version)**

**Zagreb, January 2018**

*The title of the Decision has been amended pursuant to the provision of Article 1 of the Decision on amendments to the Decision on internal capital adequacy assessment process for credit institutions, Official Gazette 126/2017, which entered into force on 26 December 2017*

## I GENERAL PROVISIONS

**Subject matter**
**Article 1**

(1) This Decision prescribes in detail the assessment processes, the method of and the time limits for reporting to the Croatian National Bank on the adequacy of internal capital and internal liquidity of a credit institution and the internal capital calculation on an individual and consolidated basis.

(2) This Decision shall apply to credit institutions which have their head office in the Republic of Croatia and are authorised by the Croatian National Bank.

(3) This Decision shall, as appropriate, apply to a branch of a credit institution from a third country authorised by the Croatian National Bank to provide services.

*Paragraph (1) has been amended pursuant to the provision of Article 2 of the Decision on amendments to the Decision on internal capital adequacy assessment process for credit institutions, Official Gazette 126/2017, which entered into force on 26 December 2017*

**Definitions**
**Article 2**

For the purpose of this Decision, the following definitions shall apply:

1) "small credit institution" shall mean a credit institution which for the purposes of calculating capital adequacy does not apply the approaches which in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013; hereinafter referred to as: "Regulation (EU) No 575/2013") require permission from the Croatian National Bank and which meets one of the following conditions:
- it is authorised as a savings bank or housing savings bank; or
- its average assets at the end of the preceding three business years, reported in audited financial statements, are less than HRK 7,000,000,000.00;

2) "required own funds" shall mean the sum of all capital requirements calculated under Regulation (EU) No 575/2013;

3) "required internal capital" shall mean the sum of internal capital requirements calculated in accordance with this Decision;
4) "risk profile", "stress testing" and individual risks shall have the meaning as defined in the Decision on risk management.
5) "internal capital adequacy assessment process and internal liquidity adequacy assessment process" shall mean the processes for the identification, measurement, management and monitoring of internal capital (ICAAP) used by a credit institution pursuant to the provisions of Article 113 of the Credit Institutions Act, and the process for the identification, measurement, management and monitoring of liquidity (ILAAP) used by a credit institution pursuant to the provision of the Decision on liquidity risk management (Official Gazette 105/2016).

*Item (5) has been added pursuant to the provision of Article 3 of the Decision on amendments to the Decision on internal capital adequacy assessment process for credit institutions, Official Gazette 126/2017, which entered into force on 26 December 2017*

**Scope of application of the Decision**
**Article 3**

(1) A credit institution shall apply the provisions of this Decision on an individual basis.

(2) By way of derogation from paragraph (1) of this Article, a credit institution which is included in a group of credit institutions in the Republic of Croatia need not apply the provisions of this Decision on an individual basis, provided that in the Republic of Croatia it has a status of:
1) a parent credit institution, or
2) a credit institution which is a subsidiary of an RC parent credit institution, an RC parent financial holding company or an RC parent mixed financial holding company.

(3) A credit institution which is excluded from a group of credit institutions in the Republic of Croatia pursuant to Article 19 of Regulation (EU) No 575/2013 shall apply the provisions of this Decision on an individual basis.

(4) An RC parent credit institution shall apply the provisions of this Decision on a consolidated basis for its group of credit institutions in the RC.

(5) A credit institution having its head office in the Republic of Croatia which is a subsidiary of an RC parent financial holding company or an RC parent mixed financial holding company in the manner referred to in Article 278, paragraphs (3), (4) and (5) of the Credit Institutions Act shall apply the provisions of this Decision on the basis of the consolidated financial position of that financial or mixed financial holding company.

(6) A subsidiary credit institution, or a parent mixed financial holding company within a group of credit institutions in the Republic of Croatia or a parent financial holding

company within a group of credit institutions in the Republic of Croatia which is a parent of, or holds a participation in another credit institution, financial institution, a UCITS management company or a pension company having its head office in a third country, shall apply the provisions of this Decision on a sub-consolidated basis.

## Internal capital and internal liquidity strategies, plans and processes
## Article 4

(1) A credit institution shall develop an internal capital planning strategy which is to ensure that the maintained capital levels are supportive of the factors such as the expected placement growth, future sources of funds and their use, dividend policy and any changes in the minimum level of own funds referred to in Article 92 of Regulation (EU) No 575/2013.

(2) A credit institution shall adopt a capital plan clearly defining:
1) the strategic objectives and time horizons for their realisation considering the impact of macroeconomic factors and changes in the economic cycle on strategic plans;
2) capital planning processes and responsibilities for these processes;
3) the method by which a credit institution is to comply with capital requirements in the future;
4) the relevant limits related to capital (e.g. the impact of a change in regulations or of the adoption of new regulations); and
5) general contingency plans (e.g. the way of raising additional capital, business activity restriction or the application of risk mitigation techniques).

(3) A credit institution shall develop an internal liquidity planning strategy which is to ensure an adequate level of liquidity and adequate funding sources.

*The title preceding Article 4 has been amended and paragraph (3) has been added pursuant to the provision of Article 4 of the Decision on amendments to the Decision on internal capital adequacy assessment process for credit institutions, Official Gazette 126/2017, which entered into force on 26 December 2017.*

## Assessment process establishment and implementation
## Article 5

(1) A credit institution shall establish an adequate process to determine and ensure an appropriate level of internal capital and internal liquidity, taking into account the risk profile, risk management system and risk mitigation techniques. When choosing a process to determine and ensure an appropriate level of internal capital and internal liquidity, a credit institution may also consider other factors, such as the target external rating, market position, entrance to new markets, capital accessibility, acquisitions of other

undertakings, and other strategic goals. A credit institution shall analyse and document the impact of these factors on the level of internal capital and internal liquidity.

(2) The process referred to in paragraph (1) of this Article shall be considered adequate if:
1) it is based on the identification, measurement or assessment, aggregation and monitoring of significant risks;
2) it ensures an internal capital and internal liquidity level adequate for the risk profile of a credit institution; and
3) it is adequately incorporated into the governance arrangements of a credit institution.

(3) A credit institution shall prescribe, document and regularly supervise the assessment process referred to in paragraph (1) of this Article, which needs to be approved by the management and supervisory boards of the credit institution. The internal audit function of a credit institution shall at a minimum on an annual basis assess the appropriateness of the internal capital and internal liquidity adequacy assessment process.

(4) A credit institution shall provide the Croatian National Bank with complete and detailed information on the internal capital and internal liquidity adequacy assessment process, including the information on:
1) the approaches (methodologies) used for the calculation of internal capital requirements;
2) the types and levels of risk included in the calculation of internal capital requirements;
3) as regards credit risk, credit valuation adjustment risk, market risk and operational risk – the differences between the approaches used for the calculation of capital requirements in accordance with Regulation (EU) No 575/2013 and those used for the calculation of internal capital requirements;
4) the differences between the required own funds referred to in Article 92 of Regulation (EU) No 575/2013 and the required internal capital; and
5) the approaches used to determine the liquidity buffer.

*In the whole Article, the words "and internal liquidity" have been added after the words "internal capital" and item (5) has been added, pursuant to the provision of Article 5 of the Decision on amendments to the Decision on internal capital adequacy assessment process for credit institutions, Official Gazette 126/2017, which entered into force on 26 December 2017.*

## II INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS

### Phases of the process
### Article 6

(1) A credit institution's internal capital adequacy assessment process shall include the following phases:

1) the identification of risk;
2) the measurement or assessment of individual risks and the determination of related internal capital requirements;
3) the determination of total internal capital; and
4) the comparison of the required own funds and the required internal capital.

(2) A credit institution shall perform the process referred to in paragraph (1) of this Article at a minimum on an annual basis, and more often in the case of a significant change in the risk profile.

**1 Risk identification**

**Significant risks**
**Article 7**

(1) A credit institution shall on the basis of its risk profile identify significant risks to which it is or might be exposed to in its operation, and which will be covered in its internal capital adequacy assessment process, taking into account the type, scope and complexity of its activities and the markets in which it operates.

(2) In order to identify significant risks, a credit institution shall analyse the following:
1) credit risk, market risk and operational risk, also including other risks for which capital requirements are calculated under Regulation (EU) No 575/2013;
2) the risks which are not fully covered by minimum capital requirements referred to in Regulation (EU) No 575/2013 (currency induced credit risk, residual risk and risks arising from securitisation transactions, a possible underestimation of credit risk due to the use of the Standardised Approach, a possible underestimation of operational risk due to the use of the Basic Indicator Approach or the Standardised Approach);
3) interest rate risk arising from non-trading activities, risk of excessive leverage, concentration risk, reputational risk and strategic risk;
4) liquidity risk and funding risk, including intra-day liquidity, encumbered assets and collateral management;
5) the impact of external factors (economic and business environment); and
6) other risks not referred to in items (1) to (4) of this paragraph.

(3) The identification of all risks and the determination of their significance must be based on a comprehensive assessment of the risks to which a credit institution is or might be exposed to, and which are inherent in individual operations, products, activities, processes and systems of a credit institution, both on the portfolio and individual product basis. The risk identification process must also include an assessment of the financial position of a credit institution and the environment in which it operates.

(4) By way of derogation from paragraph (2) of this Article, a small credit institution may within the internal capital and internal liquidity adequacy assessment process analyse, at a minimum, the following:

1) concentration risk;
2) operations risk;
3) credit risk including currency induced credit risk;
4) interest rate risk;
5) foreign-exchange risk;
6) liquidity risk including the possibilities of raising additional capital;
7) operational risk;
8) risk of excessive leverage;
9) strategic risk; and
10) the impact of external factors.

*Paragraph (2), item (3) has been amended, a new item (4) has been added, items (4) and (5) have become items (5) and (6), the new item (6) has been amended and paragraph (4) has been amended, pursuant to the provision of Article 6 of the Decision on amendments to the Decision on internal capital adequacy assessment process for credit institutions, Official Gazette 126/2017, which entered into force on 26 December 2017.*

**Risk definitions**
**Article 8**

(1) A credit institution may use its own risk definitions which at a minimum include the definitions prescribed in Regulation (EU) No 575/2013, the Credit Institutions Act and the Decision on risk management, on the condition that it gives a detailed explanation thereof.

(2) Where a credit institution uses different definitions of the risks for which the calculation of capital requirements is prescribed in Regulation (EU) No 575/2013, it shall explain the impact of the application of these definitions on the level of capital requirements of the credit institution under Regulation (EU) No 575/2013.

## 2 Measurement or assessment of individual risks and the determination of related internal capital requirements

**Risk measurement or assessment methodology**
**Article 9**

(1) When calculating internal capital requirements, a credit institution shall by quantitative methods measure or, if the risks are difficult to quantify, assess significant risks using the methodology and approaches which are the most suitable for its organisation and business activities.

(2) A credit institution shall establish for which risks, in addition to credit risk, market risk, credit valuation adjustment risk and operational risk, it is appropriate to use quantitative methods when determining internal capital requirements, and for which risks

it is more suitable to exclusively use risk mitigation or control measures instead of determining internal capital requirements.

(3) A credit institution may use various approaches to calculate internal capital requirements for various types of risk, on the condition that it defines an adequate methodology to measure or assess each risk and that it documents and explains the followings:
1) the risk measurement methods/approaches;
2) the assessment of non-measurable risks; and
3) all corrections in risk amounts undertaken when a credit institution establishes that the methods used to measure or assess a specific risk fail to show the current exposure of the credit institution to that risk.

(4) When calculating internal capital requirements for credit risk, credit valuation adjustment risk, operational risk and market risks, a credit institution may do one of the following:
1) apply the approaches it uses for the calculation of own funds requirements under Regulation (EU) No 575/2013;
2) apply the Advanced Measurement Approaches referred to in Regulation (EU) No 575/2013; or
3) use other approaches.

(5) Where the calculation of capital requirements under Regulation (EU) No 575/2013 is based on a rating by an external credit assessment institution or on the fact that the exposure is unrated, a credit institution shall take into consideration other relevant information when calculating internal capital requirements for credit risk.

(6) Internal capital requirements for significant market risks for which capital requirements referred to in Regulation (EU) No 575/2013 are not calculated must be appropriate.

(7) A credit institution which has, in calculating capital requirements for position risk in accordance with Part Three, Title IV, Chapter 2 of Regulation (EU) No 575/2013, netted off its positions in one or more of the equities constituting a stock-index against one or more positions in the stock-index future or other stock index product shall calculate and maintain adequate internal capital to cover losses from basis risk caused by the future's or other product's value not moving fully in line with that of its constituent equities.

(8) A credit institution shall calculate and maintain adequate internal capital if it holds opposite positions in stock-index futures which are not identical in respect of either their maturity or their composition or both.

(9) When using the treatment in Article 345 of Regulation (EU) No 575/2013, a credit institution shall calculate the internal capital requirement against the risk of loss which exists between the time of the initial commitment and the following working day.

(10) A credit institution may, when calculating internal capital requirements for interest rate risk arising from non-trading activities, apply the simplified calculation of estimate of a change in the economic value of the non-trading book prescribed in the Decision on the interest rate risk in the non-trading book.

**Stress testing**
**Article 10**

(1) In order to make a quality assessment of its risk exposure, a credit institution shall regularly, at a minimum on an annual basis, carry out scenario and sensitivity analyses for all significant risks and internal capital. The credit institution shall take the results obtained into account when assessing and maintaining an adequate level of internal capital.

(2) Stress testing must be appropriate for each risk factor significant for the operation of a credit institution which is specific for the business and legal environment in which the credit institution operates and the relevant segment of the business cycle. A credit institution shall analyse the impact of a change in regulations or the adoption of new regulations, competition activities or other factors affecting its operation, in order to determine which changes in the environment it can sustain.

(3) A credit institution shall determine within its risk management policies the scope and frequency of stress testing and the processes and activities to be applied in the cases of adverse stress testing results.

(4) By way of derogation from paragraph (1) of this Article, a small credit institution may only carry out sensitivity analyses, assessing the impact of some most significant factors of risks to which it is exposed to, including at a minimum credit risk, concentration risk in the credit portfolio and interest rate risk arising from non-trading activities. A small credit institution shall carry out scenario and sensitivity analyses for the exposure to liquidity risk.

(5) By way of derogation from paragraph (1) of this Article, a credit institution shall perform stress testing for operational risk in accordance with Regulation (EU) No 575/2013.

## 3 Determining total internal capital

**Defining available internal capital**
**Article 11**

A credit institution shall define the categories and constituent elements of capital used to calculate the available internal capital, taking into account which individual elements of capital best demonstrate the real value of assets and liabilities and the loss absorbing capacity.

**Calculation of internal capital requirements**
**Article 12**

(1) A credit institution shall determine total internal capital requirements by adding up capital requirements for:
1) the risks requiring the calculation of capital requirements under Regulation (EU) No 575/2013; and
2) other significant risks.

(2) By way of derogation from paragraph (1) of this Article, a credit institution may use complex approaches for the calculation of total internal capital requirements, on the condition that it documents and explains the following:
1) the basic methodological assumptions, with the exception of perfect positive correlations between risks, and that it ensures their robustness by performing stress testing; and/or
2) any other methodology/approach to determine total required internal capital, including the one based on the simulation of concurrent changes in multiple risk factors.

(3) A credit institution shall maintain internal capital at least at the level of total internal capital requirements.

(4) A parent credit institution in the Republic of Croatia shall determine, in addition to internal capital requirements on a consolidated or sub-consolidated basis, for each member of a group of credit institutions in the Republic of Croatia which is a credit institution and for each member of a group which the parent credit institution assesses as important for the business of the group, internal capital requirements on an individual basis.

*Paragraph (4) has been added pursuant to the provision of Article 7 of the Decision on amendments to the Decision on internal capital adequacy assessment process for credit institutions, Official Gazette 126/2017, which entered into force on 26 December 2017.*

## 4 Comparison of required own funds and required internal capital

**Process of comparison**
**Article 13**

(1) A credit institution shall compare required internal capital and required own funds and state their similarities and differences.

(2) Where it is established by the internal capital adequacy assessment process that the amount of required internal capital is lower than the minimum level of required own funds referred to in Article 92 of Regulation (EU) No 575/2013, a credit institution shall maintain a level of own funds at a minimum equal to that prescribed in Article 92 of Regulation (EU) No 575/2013.

(3) A credit institution shall at the end of a business year (as at 31 December) calculate:
1) the total amount of required internal capital, and
2) the target level of available internal capital and own funds at the end of the current financial year, in accordance with the business plan.

(4) A credit institution shall incorporate into the annual business plan corrective measures to be taken in the event of errors or changes in the assessments of internal capital adequacy.

## III INTEGRATION OF THE INTERNAL CAPITAL AND INTERNAL LIQUIDITY ADEQUACY ASSESSMENT PROCESS INTO GOVERNANCE ARRANGEMENTS

### Article 14

(1) The internal capital and internal liquidity adequacy assessment process must be a constituent part of a credit institution's governance arrangements.

(2) A credit institution shall make use of the results of the internal capital and internal liquidity adequacy assessment process at a minimum in the following processes:
1) when defining and monitoring the realisation of the risk management strategy;
2) when allocating capital to individual organisational units;
3) when adopting decisions on lending and budgeting issues; and
4) when adopting major strategic decisions (e.g. to launch a new product, enter a new market, etc.).

(3) The internal capital and internal liquidity adequacy assessment process must enable the management and supervisory boards of a credit institution at all times to assess and/or evaluate all significant risks to which the credit institution is or might be exposed to in its operation.

*The Title preceding Article 14 has been amended and in the whole Article 14, the words "internal liquidity" have been added after the words "internal capital", pursuant to the provision of Article 8 of the Decision on amendments to the Decision on internal capital adequacy assessment process for credit institutions, Official Gazette 126/2017, which entered into force on 26 December 2017.*

## Duties of the management and supervisory boards
## Article 15

(1) The management board of a credit institution shall:
1) adopt the credit institution's risk-taking and risk management strategy;
2) ensure the implementation of the internal capital and internal liquidity adequacy assessment process and its compliance with strategic policies;
3) ensure that all risks are included into the process;
4) ensure the use of appropriate methods;
5) prescribe in detail the internal capital and internal liquidity adequacy assessment process (the methods used, the assumptions, the assessment process, and the method of maintaining an adequate internal capital level) and the internal capital allocation process;
6) establish an adequate internal control system within the internal capital and internal liquidity adequacy assessment and maintenance process;
7) ensure that the internal capital and internal liquidity adequacy assessment process is documented;
8) ensure adequate resources to implement the internal capital and internal liquidity adequacy assessment process and a full understanding of the process by all included employees;
9) prescribe powers and responsibilities assigned to individual functions and organisational units ensuring a clear distribution of powers and clearly defined lines of responsibility;
10) ensure that the internal capital and internal liquidity adequacy assessment process is a constituent part of the governance activities of a credit institution; and
11) ensure a regular assessment of the appropriateness of the internal capital and internal liquidity adequacy assessment process.

(2) The supervisory board of a credit institution shall:
1) adopt decisions granting approval to the management board for the risk-taking and risk management strategy of a credit institution with defined target liquidity risk profile and required internal capital and its allocation to individual risks to which the credit institution is or might be exposed to;
2) adopt decisions granting approval to the management board for the structure of the internal capital and internal liquidity adequacy assessment process;
3) supervise an adjustment of the internal capital and internal liquidity adequacy assessment process with regard to significant changes in the strategies, policies, organisation and business environment;
4) supervise that the results of the internal capital and internal liquidity adequacy assessment process are used for strategic purposes and in the decision-making process; and
5) analyse the realisation of the risk-taking and risk management strategy in relation to the available and required internal capital and the available and required liquidity buffer.

*In the whole Article 15, the words "internal liquidity" have been added after the words "internal capital", paragraph (1), item (8) and paragraph (2), item (1) and item (5) have* *been amended, pursuant to the provision of Article 9 of the Decision on amendments to the Decision on internal capital adequacy assessment process for credit institutions, Official Gazette 126/2017, which entered into force on 26 December 2017.*

**Role of the risk control function**
**Article 16**

A credit institution shall analyse, monitor and report on the internal capital and internal liquidity adequacy assessment process within the risk control function.

*In Article 16, the words "internal liquidity" have been added after the words "internal capital", pursuant to the provision of Article 10 of the Decision on amendments to the Decision on internal capital adequacy assessment process for credit institutions, Official Gazette 126/2017, which entered into force on 26 December 2017.*

**Outsourcing**
**Article 17**

(1) A credit institution may outsource a part of a phase of the internal capital adequacy assessment process referred to in Article 6, paragraph (1) of this Decision.

(2) The provisions of the Decision on outsourcing shall apply to the outsourcing of a part of a phase of the internal capital adequacy assessment process for credit institutions.

(3) By way of derogation from paragraph (2) of this Article, where the provider of outsourcing services for a part of a phase of the internal capital adequacy assessment process for credit institutions is a parent undertaking in a group of credit institutions, Article 13 of the Decision on outsourcing shall not apply.

**Assessment process on a consolidated basis**
**Article 18**

A credit institution which in accordance with Article 3, paragraphs (2) and (4) to (6) of this Decision applies the provisions of this Decision on a consolidated basis for a group of credit institutions in the RC shall:
1) when managing risks at the level of the group, define and align the processes and procedures, tasks and responsibilities of individual persons and organisational units as well as reporting lines within the group;
2) ensure that the methodologies of risk measurement and/or assessment are aligned at the level of the group;

3) assess significant risks of all undertakings within the group including its own risks and the risks inherent in the conduct of business activities with legal persons outside the group which have an impact on the overall risk profile of the group;
4) calculate the required internal capital on a consolidated basis and on an individual basis in accordance with the provisions of Article 12, paragraph (4) of this Decision and adjust the required internal capital and required own funds;
5) integrate the internal capital and internal liquidity adequacy assessment process on a consolidated basis into the management and decision-making process of a credit institution; and
6) report to the Croatian National Bank on the internal capital and internal liquidity adequacy assessment process on a consolidated basis.

*In the whole Article 18, the words "internal liquidity" have been added after the words "internal capital" and item (4) has been amended, pursuant to the provision of Article 11 of the Decision on amendments to the Decision on internal capital adequacy assessment process for credit institutions, Official Gazette 126/2017, which entered into force on 26 December 2017.*

## IV REPORTING TO THE CROATIAN NATIONAL BANK

### Report
### Article 19

(1) A credit institution shall submit a written report to the Croatian National Bank on the internal capital and internal liquidity adequacy assessment process. The report at a minimum needs to include the following:
1) an overview of the current financial condition/business model and its expected changes over the next period;
2) the organisational structure, with the specification of powers and responsibilities assigned to various functions and organisational units included in the internal capital and internal liquidity adequacy assessment process;
3) a description of the methodologies used to determine required internal capital and internal liquidity;
4) a description of the risk measurement/assessment system;
5) the management and mitigation techniques for significant types of risks;
6) a description of the stress testing which a credit institution uses in the internal capital and internal liquidity adequacy assessment process and its results;
7) self-assessment of the internal capital and internal liquidity adequacy assessment process which should identify weaknesses and deficiencies in the process, and corrective measures which should be implemented in a timely manner towards their elimination; and
8) where a credit institution is a subsidiary of a parent undertaking which has its head office outside the Republic of Croatia, the method of aligning the internal capital and internal liquidity adequacy assessment process with the process implemented by the parent credit institution.

(2) A credit institution shall include in the report a list of internal bylaws, indicating the dates of their adoption and their last amendments, specifying if the amendment was significant, as well as a list of internal reports of a credit institution relevant for internal capital and internal liquidity adequacy assessment process, specifying the frequency of their production and governance levels they are intended for.

(3) Where a credit institution has prepared and submitted to the Croatian National Bank parts of the report referred to in paragraph (1) of this Article while meting other reporting requirements, it may make a reference to these documents and need not prepare them again for the purposes of the report referred to in paragraph (1) of this Article.

*In the whole Article 19, the words "internal liquidity" have been added after the words "internal capital", the introductory text in paragraph (1) has been amended, a new item (1) has been added, and items (1) to (7) have become items (2) to (8), a new paragraph (2) has been added and the previous paragraph (2) has become paragraph (3), pursuant to the provision of Article 12 of the Decision on amendments to the Decision on internal capital adequacy assessment process for credit institutions, Official Gazette 126/2017, which entered into force on 26 December 2017.*

**Time limits for reporting**
**Article 20**

A credit institution shall prepare a report on the internal capital and internal liquidity adequacy assessment process as at 31 December of the previous year and submit it to the Croatian National Bank at the latest until 31 March of the current year.

*Article 20 has been amended pursuant to the provision of Article 13 of the Decision on amendments to the Decision on internal capital adequacy assessment process for credit institutions, Official Gazette 126/2017, which entered into force on 26 December 2017.*

## V TRANSITIONAL AND FINAL PROVISIONS

**Entry into force**
**Article 21**

(1) On the date of entry into force of this Decision, the Decision on the internal capital adequacy assessment process for credit institutions (Official Gazette 1/2009, 75/2009, 2/2010, 28/2011 and 67/2013) shall cease to have effect.

(2) This Decision shall be published in the Official Gazette and shall enter into force on the eighth day following its publication.

## TRANSITIONAL AND FINAL PROVISIONS
## (Decision on amendments to the Decision on internal capital adequacy assessment process for credit institutions, Official Gazette 126/2017)

### Article 14

This Decision shall be published in the Official Gazette and shall enter into force on the eighth day after the day of its publication in the Official Gazette.